

San Mateo County Economic Forecast

San Mateo County is a major contributor to the new technology economy in the U. S. Between 1994 and 2000, the County created a total of 79,630 non-farm jobs, a 27 percent increase in total non-farm wage and salary employment.

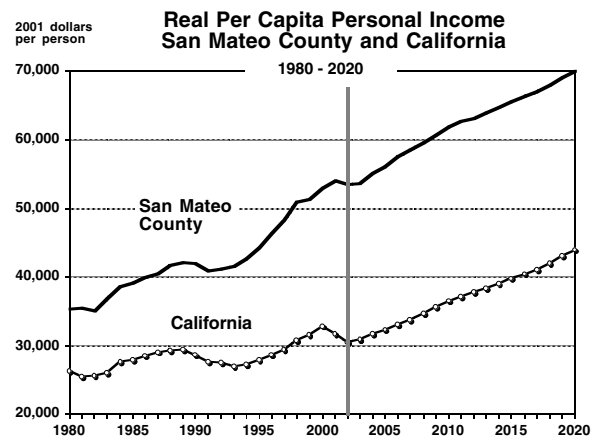
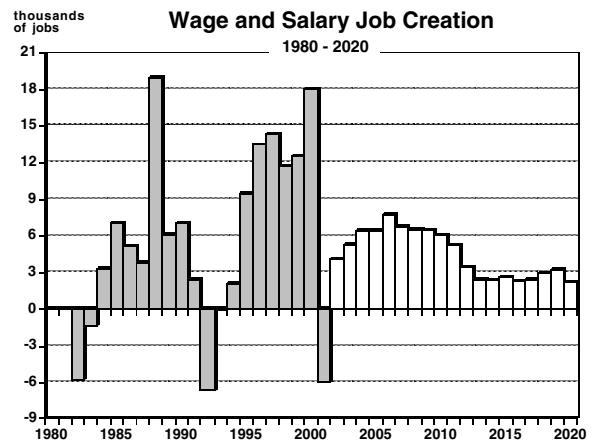
However, with the nation-wide technology bust in 2000, the County has weakened. In 2001, employment growth turned negative, the first time since 1993, and the unemployment rate jumped to 4.3 percent in February of 2002 (from 1.7 percent in February of 2001). The current rate still represents a relatively tight labor market.

During the slowdown of 2001, inflation-adjusted retail sales declined 3.3 percent, but the growth of real per capita income remained positive (up 2.0 percent).

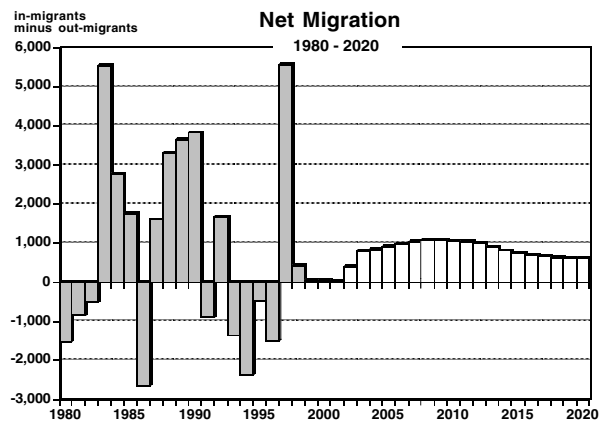
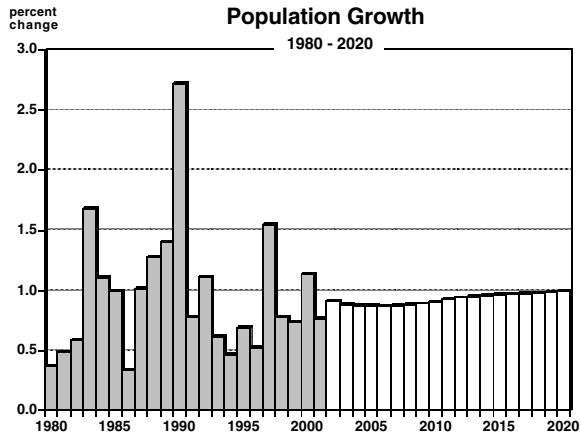
The worst appears to be over however, regarding the labor markets in hard-hit Bay Area of the California economy, as (1) the national and state economies strengthen this year, and (2) the domestic and world-wide demand for semi-conductors, computers, communications devices, and electrical equipment and apparatus rises, especially in the second half of 2002.

Forecast Highlights

- Job growth rebounds in 2002, and gathers momentum in 2003.
- The unemployment rate averages 3.6 percent for the year, but declines in subsequent years.
- The services sector remains the growth engine of jobs in San Mateo County. However, technology services do not grow at the unsustainable rates observed in the latter 1990s. Employment growth in services averages 3.1 percent per year over the next 5 years, compared to 7.7 percent growth between 1995 and 2000.
- Population growth slows, due principally to the lack of housing and the unaffordability of housing in the region. Compound annual growth in the 2002 to 2007 period falls to 0.87 percent per year, from 0.95 percent between 1995 and 2000. The population growth slowdown is principally led by out-migration of population to regions with more affordable housing, such as Stanislaus and San Joaquin Counties



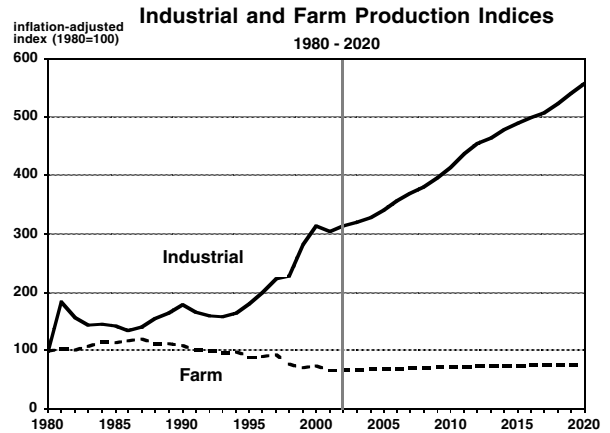
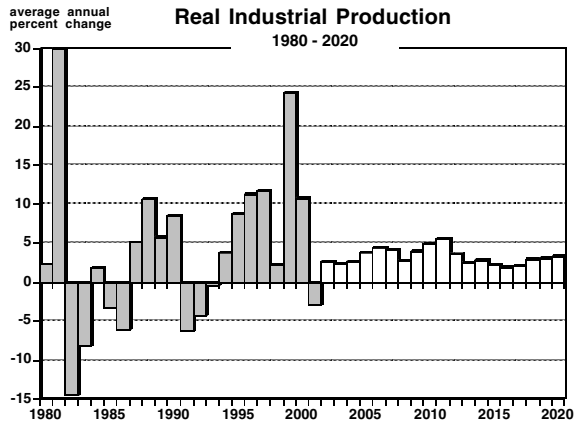
- Real per capita income growth subsided in 2001. Incomes remain relatively stable in 2002 and 2003 before rising again in 2004. The annual compound rate of growth over the next 5 years is 1.8 percent. Between 1995 and 2000, real per capita personal income increased an average of 3.6 percent per year.
- Over the forecast horizon, the median home price rises an average of 4.9 percent per year, adjusted for inflation. This is a sharp decline from the unsustainable 10.1 percent average real appreciation per year between 1995 and 2000.



San Mateo County Economic Forecast

1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	684,800	-465	644,125	246.2	1,424	\$6.0	\$26.5	\$44,389	\$213.2	\$11
1996	688,400	-1,496	654,382	247.3	1,105	\$6.5	\$28.3	\$46,291	\$220.7	\$12
1997	699,100	5,575	637,389	248.5	1,519	\$6.8	\$30.5	\$48,404	\$230.1	\$14
1998	704,600	423	711,936	249.8	2,175	\$6.9	\$32.8	\$50,851	\$193.3	\$14
1999	709,800	43	714,405	251.2	901	\$7.8	\$34.1	\$51,341	\$182.7	\$18
2000	717,900	42	708,927	253.9	2,317	\$8.8	\$36.8	\$52,961	\$197.8	\$19
2001	723,478	39	712,019	254.9	1,648	\$8.8	\$39.1	\$54,013	\$183.6	\$19
2002	730,107	400	721,015	257.5	1,756	\$9.3	\$39.7	\$53,520	\$191.8	\$19
2003	736,536	810	730,175	259.1	1,726	\$9.8	\$41.8	\$53,694	\$198.4	\$20
2004	742,981	856	731,340	260.6	1,540	\$10.2	\$44.2	\$55,054	\$205.1	\$20
2005	749,467	913	732,984	262.0	1,525	\$10.7	\$46.6	\$56,151	\$212.1	\$21
2006	755,998	978	734,676	263.4	1,633	\$11.3	\$49.2	\$57,509	\$219.1	\$22
2007	762,611	1,030	737,071	264.8	1,596	\$11.8	\$51.7	\$58,522	\$225.9	\$23
2008	769,330	1,069	739,459	266.3	1,539	\$12.4	\$54.3	\$59,619	\$232.9	\$24
2009	776,191	1,070	741,689	267.7	1,503	\$13.0	\$57.1	\$60,770	\$239.9	\$25
2010	783,236	1,052	743,511	269.1	1,462	\$13.6	\$60.1	\$61,861	\$247.5	\$26
2011	790,508	1,033	744,484	270.6	1,384	\$14.2	\$62.9	\$62,659	\$255.4	\$27
2012	797,994	994	744,671	271.9	1,384	\$14.8	\$65.7	\$63,220	\$263.5	\$28
2013	805,636	906	744,597	273.3	1,363	\$15.4	\$68.8	\$63,958	\$272.0	\$29
2014	813,413	818	744,638	274.7	1,109	\$16.0	\$72.0	\$64,725	\$280.1	\$30
2015	821,307	748	745,263	275.9	1,104	\$16.7	\$75.4	\$65,571	\$288.3	\$30
2016	829,304	690	746,806	277.1	1,093	\$17.4	\$79.0	\$66,354	\$296.9	\$31
2017	837,424	664	749,375	278.3	1,079	\$18.1	\$82.7	\$67,100	\$306.1	\$32
2018	845,651	628	752,124	279.5	1,067	\$18.9	\$86.7	\$68,007	\$315.1	\$33
2019	854,023	621	755,270	280.6	1,065	\$19.7	\$91.0	\$69,022	\$324.0	\$34
2020	862,541	616	758,202	281.8	1,066	\$20.5	\$95.3	\$69,983	\$332.8	\$35

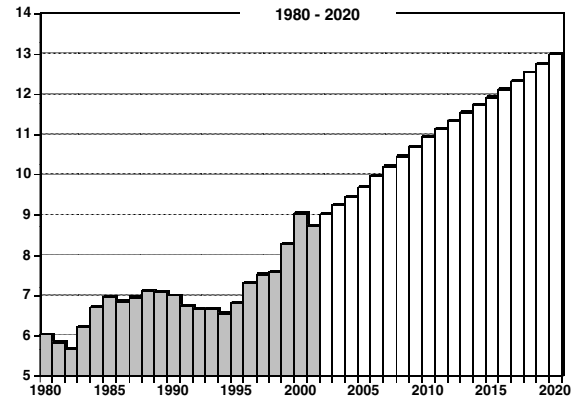


Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportaion, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
305.8	2.6	11.6	32.6	37.7	73.7	21.2	94.4	32.0
319.2	2.7	13.5	35.2	37.6	75.0	21.6	102.5	31.1
333.6	2.9	15.5	36.7	38.8	76.9	23.0	109.9	30.1
345.3	2.9	16.8	37.6	40.5	79.3	23.9	112.8	31.4
357.9	2.9	17.8	36.9	42.1	80.5	23.7	121.9	32.1
376.0	2.9	19.8	36.7	43.6	80.5	23.0	137.0	32.6
370.0	3.0	21.0	33.6	40.9	78.1	23.1	137.3	32.9
374.1	2.9	20.7	33.8	43.2	79.3	22.7	138.1	33.2
379.3	2.9	20.8	34.3	43.7	79.8	22.8	141.7	33.4
385.8	2.9	20.8	34.8	44.0	80.4	22.9	146.5	33.5
392.3	2.9	21.0	35.1	44.3	81.1	23.0	151.3	33.6
400.0	2.9	21.3	35.9	45.2	81.7	23.1	156.2	33.8
406.7	2.9	21.8	36.2	45.8	82.3	23.3	160.7	33.9
413.3	2.9	22.2	36.4	46.3	82.9	23.4	165.1	34.0
419.7	2.9	22.7	36.6	46.9	83.5	23.5	169.4	34.2
425.9	2.9	23.2	37.0	47.7	84.1	23.6	173.2	34.3
431.1	2.9	23.6	37.2	48.4	84.7	23.7	176.1	34.4
434.5	2.9	23.9	37.4	49.0	85.3	23.8	177.6	34.5
436.9	2.9	24.2	37.4	49.5	85.9	23.8	178.6	34.6
439.4	2.9	24.5	37.4	50.0	86.5	23.9	179.6	34.6
442.0	2.9	24.7	37.4	50.6	87.1	23.9	180.8	34.6
444.4	2.9	24.9	37.4	51.2	87.8	23.9	181.8	34.6
446.9	2.9	25.1	37.5	51.8	88.4	23.9	182.7	34.5
449.8	2.9	25.4	37.6	52.6	89.1	24.0	183.7	34.5
453.0	2.9	25.7	37.9	53.5	89.8	24.0	184.8	34.5
455.3	2.9	26.0	38.0	54.2	90.5	24.1	185.2	34.4

billions of
2001 dollars

Real Taxable Retail Sales

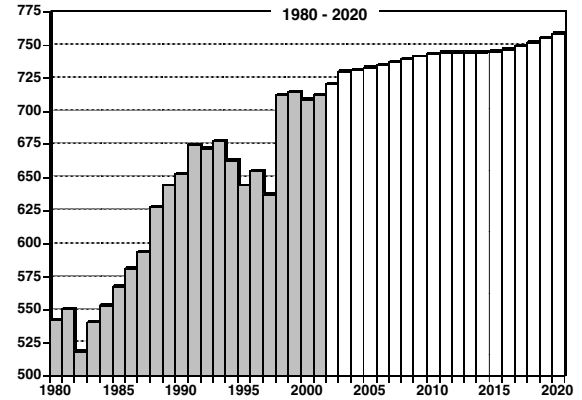
1980 - 2020



thousands of
vehicles

Total Registered Vehicles

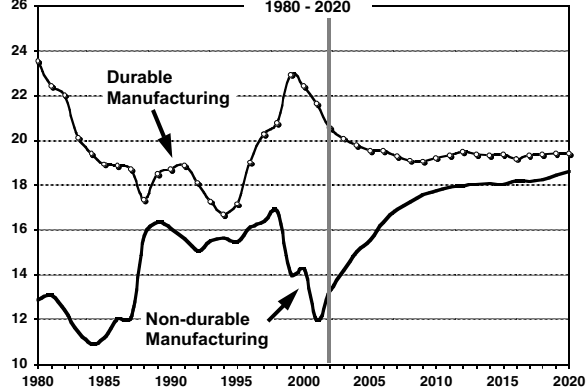
1980 - 2020



thousands of
jobs

Employment in Manufacturing

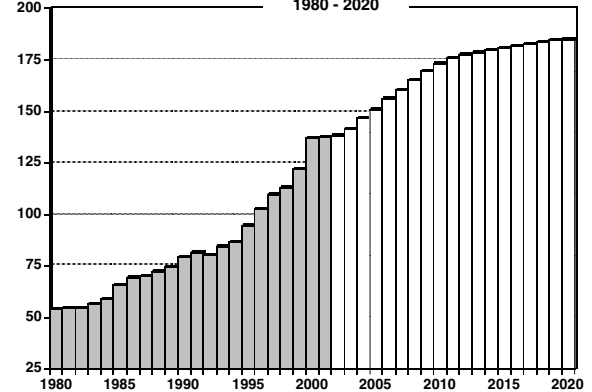
1980 - 2020



thousands of
jobs

Employment in Services

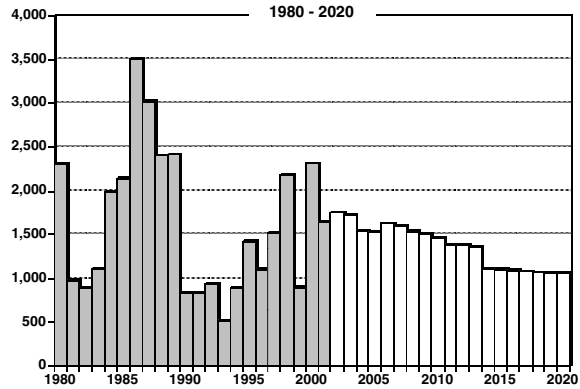
1980 - 2020



units
permitted

New Residential Units

1980 - 2020



2001 dollars
per worker

Real Earnings per Worker San Mateo County and California

1980 - 2020

